

[23 March, 2001]

RAJYA SABHA

**Production cost of Urea**

† 3029. SHRI RAM JETHMALANI:  
SHRI RAJIV RANJAN SINGH 'LALAN'.

Will the Minister of CHEMICALS AND FERTILIZERS be

(a) whether it is a fact that the cost of production of urea in chemical fertilizers production units of the country has been assessed from Rs. 4,80(y- to Rs. 15,175/1;

(b) if not, what are the facts in this regard;

(c) whether Government have ascertained the reasons for such a wide gap in the cost of production in various production projects; and

(d) if so, the details of those reasons?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) to (d) Under Retention Prices-cum-Subsidy Scheme, the retention prices (cost of production plus 12% post tax return on net worth) of urea manufacturing units are fixed unitwise having regard to a combination of norms and actuals of various cost elements. Operational cost of production of urea units differs not only from unit to unit but also from month to month, depending upon, *inter-alia*, the health and vintage of the plant, the feed stock used, the levels of capacity utilization, the specific consumption and inputs cost. The notified retention prices, as on 1.4.2000, of various urea manufacturing units is indicated in the enclosed Statement (*See* below) Besides the reasons mentioned above, *prima-facia*, it could be seen from the Annexure that the average retention prices of gas based urea units is less than those of naphtha and Fuel Oil (FO)/ Low Sulphur Heavy Stock (LSHS) units. The main reasons for the high cost of production of naphtha and FO/LSHS based units is the high cost of feedstock *i.e.* naphtha and FO/LSHS in comparison to that of natural gas.

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† Original notice of the question was received in Hindi.

**Statement**

*The retention prices of urea manufacturing units as on 1.4.2000.*

SI. No.	Company-Unit	Retention Price Notified (Rs. Per tonne)
Feedstock: GAS		
1.	GSFC-Baroda	9772
2.	HFC-Namrup HI	4379
3.	IFFCO-Aonla*	5280
4.	IFFCO-Aonla Exp.*	6161
5.	IFFCO-Kalol*	7467
6.	INDOGULF-Jagdishpur*	6277
7.	KRIBHCO-Hazira*	5208
8.	NFL-Vijaipur*	5060
9.	NFL-Vijaipur Exp.*	6147
10.	NFCL-Kakinada*	7536
11.	RCF-Thal	6714
12.	RCF-Trombay-V	6239
13.	CFCL-Kota*	7394
14.	TATA Chemicals*	7766
15.	OCFL-Shahjanpur*	7394
Weighted average retention price of gas based units		6440
Feedstock: NAPHTHA		
1.	CFCL-Kota Exp.*	10707
2.	FACT-Cochin	15184
3.	ICI-Kanpur	12697
4.	IFFCO-Phulpur	11175
5.	IFFCO-Phulpur II*	11574
6.	MCFL-Mangalore	12113
7.	MFL-Madras*	14632
8.	SFC-Kota	10546
9.	SPIC-Tuticorin	12510

SI. No.	Company-Unit	Retention Price	
		(Rs.	Notified Per tonne)
10.	NFCL II-Kakinada*		8544
11.	ZACL-Goa*		13678
Weighted average retention price of naphtha based units			11722
Feedstock: FO/LSHS			
1.	FCI-Sindri		9481
2.	GNFC-Bharuch*		7378
3.	NLC-Neyveli		11221
4.	NFL-Nangal		9749
5.	NFL-Bhatinda		10692
6.	NFL-Panipat		9992
Weighted average retention price of FO/LSHS based Units			9425
Weighted average retention price of all urea units			8166

*"Ad-hoc retention price.*

#### **Electricity dues of IDPL to APSEB**

3030. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Union Government has been urged to arrange immediate payment of the dues of electricity to APSEB from IDPL, which amount to Rs. 27,24,15,495/-;

(b) whether the State Chief Minister had, in a communication to the Minister of Chemicals and Fertilizers, urged to help in releasing the amount dues from IDPL; and

(c) if so, to what extent he has been able to help release the amount?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE)- (a) The outstanding dues from IDPL as on